

Boyd, Jocelyn

237560

From: Natalie Mims [natalie@cleanenergy.org]
Sent: Friday, July 06, 2012 4:21 PM
To: Boyd, Jocelyn; Shannon Hudson; cedwards@regstaff.sc.gov; len.s.anthony@pgnmail.com; darnett@regstaff.sc.gov
Subject: SACE comments in 2012-234-E
Attachments: SACE_Comments_2012-234_E_DEC_final.pdf

Good Afternoon Joceyln,

I left you a voicemail about submitting comments in docket 2012-234-E. I have attached SACE's comments on Progress Energy's Residential New Construction and Small Business Energy Saver Program, and I am cc'ing Dan Arnett, Shannon Hudson, Courtney Edwards and Len Anthony so they will receive copies as well. I will also put hard copies in the mail. Could you let me know when you receive this, and please let me know if you have any questions.

Thanks,

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Natalie Mims
Southern Alliance for Clean Energy
Energy Policy Manager

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MAIL ROOM



July 6, 2012

VIA ELECTRONIC FILING

Jocelyn Boyd, Esquire
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

**Re: Statement of Position of Southern Alliance for Clean Energy on
Progress Energy Carolina's Residential New Construction and Small
Business Energy Saver Program, Docket No. 2012-234-E**

Dear Ms. Boyd:

The Southern Alliance for Clean Energy ("SACE") files this Statement of Position letter to comment on Progress Energy Carolinas ("PEC") application for approval of two new DSM programs, the Residential New Construction ("RNC") Program and Small Business Energy Saver ("SBES") Program, which PEC filed on June 7, 2012.¹

SACE supports PEC's application for approval of the RNC and SBES programs. We have reviewed these program applications and for the reasons that follow, SACE recommends that the Commission approve the proposed programs.

Support for Residential New Construction Program

PEC's proposed RNC Program targets both single family home builders and multifamily developers, providing them with three types of incentives: (1) education and training; (2) equipment and whole house financial incentives; and (3) a limited heating and cooling bill guarantee. SACE is satisfied with the overall structure of the program and is particularly pleased that PEC is offering a whole house incentive to encourage builders to achieve a Home Energy Rating System rating of 55. The RNC Program's holistic approach will encourage builders and developers in the residential new construction industry to adopt new, more efficient technologies and building practices. PEC's proposed RNC Program is a good first step to capturing the energy savings in the residential new construction market and to help PEC achieve its energy efficiency performance targets.²

Moreover, the RNC Program could pave the way for similar residential new construction program offerings by PEC's peer utilities. Although many utilities throughout the country offer new construction programs for residential customers, no investor-owned utility in the Carolinas currently offers this type of program. Successful implementation of the RNC Program will serve as a model for other electric utilities in the Carolinas, and the region.

¹SACE is not filing for intervention in 2012-234-E. We do not anticipate participating in this docket beyond submitting this Statement of Position letter.

²See Settlement Agreement, *Application Regarding the Acquisition of Progress Energy, Incorporated by Duke Energy Corporation and Merger of Progress Energy Carolinas, Incorporated and Duke Energy Carolinas, LLC*, SC PSC Docket Nos. 2011-158-E (December 13, 2011).

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Support for Small Business Energy Saver Program

PEC's proposed SBES program targets commercial customers with an annual demand of 100 kW or less. Emerging best practices for energy efficiency include targeted programs that address the unique needs of small commercial customers. These customers often have lower-than-average response rates to generic prescriptive and custom non-residential program offerings, and therefore, often do not take advantage of energy efficiency measures that can reduce energy consumption and peak demand.

By offering a complete energy assessment, turn-key direct installation of measures, and payment options, the proposed SBES Program addresses some of the market barriers that have prevented progress in small commercial energy efficiency. SACE applauds PEC for addressing the unique needs of its small business customers.

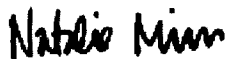
Moreover, in addition to meeting the needs of a customer segment more effectively, the increase in energy efficiency program impacts associated with successful implementation of the SBES Program will enable PEC to ramp up its energy efficiency savings, consistent with the Company's energy efficiency performance targets.

Finally, SACE appreciates the Company's interest in working to apply the same principles underlying the SBES Program, *i.e.* targeting a specific market with program designs demonstrated to meet the needs of the customers in that particular market, to its large commercial and industrial customer base, and potentially to "national account" types of customers. While appropriate financial incentives are necessary to achieving cost-effective energy efficiency impacts, the Company will only improve its programs by closely matching program designs to the market barriers affecting specific customer groups, particularly hard-to-reach customers like small businesses.

Conclusion

In conclusion, SACE encourages the Commission to approve PEC's proposed Residential New Construction and Small Business Energy Saver Program programs.

Sincerely,



Natalie Mims
Energy Policy Manager

cc: Dan F. Arnett, Chief of Staff, SC ORS
Courtney Dare Edwards, Esquire, Counsel, SC ORS
Shannon Bowyer Hudson, Esquire, Counsel, SC ORS
Len S. Anthony, General Counsel, Progress Energy Carolinas

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